

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7234**

**BILL NUMBER: SB 384**

**NOTE PREPARED: Jan 6, 2005**

**BILL AMENDED:**

**SUBJECT:** Sheriff Fees.

**FIRST AUTHOR:** Sen. Meeks

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill increases fees a county sheriff may charge for reports issued by the sheriff's office, service of process in mortgage foreclosure proceedings, and service of process for civil actions. It increases the amount that a county fiscal body must appropriate to a sheriff for each verified claim filed by the sheriff for service of writs, orders, process, notices, tax warrants, or other paper completed by the sheriff. The bill also adds county sheriffs to the list of county officers entitled to appoint a chief deputy and other deputies and employees.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Accident Report Fees:* This bill is estimated to result in a potential increase of \$230,000 in accident report fees. If the department supplying a copy of the accident report is the State Police Department, revenues are placed in the state Accident Report Account to be expended by the State Police superintendent for purposes related to the keeping of accident reports and records or the prevention of street and highway accidents.

On average between FY 2000 and FY 2004, annual revenues to the account were \$100,163, representing about 33,387 reports. If the fee is increased to \$10, average annual revenues to the account would be \$333,870, **an increase of \$233,714.**

Fees from Providing Copies of Accident Reports at \$3 per Report: FY 2000 to 2004					
<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>5-Year Average</u>
\$102,217	\$107,931	\$99,447	\$89,153	\$102,039	\$100,163

**Explanation of Local Expenditures:** *Sheriff Deputy Appointments:* This bill would allow a sheriff to appoint a chief deputy and other deputies or employees as authorized by the county fiscal body. The fiscal impact of this provision is dependent on the number of new deputies and employees appointed by the sheriff as well as on the salary and benefits offered to the new staff. Annual salaries for existing chief deputies range between \$21,900 and \$87,900.

**Explanation of Local Revenues:** *Accident Report Fees:* Under the bill, the lower limit for a fee fixed by ordinance for accident reports would increase from \$3 to \$10. On average counties collect \$5,200 per year, based on a review of CY 2001 revenues for 78 counties, representing 92% of the state population. Assuming that the number of claims remains unchanged and that fees increase to \$10, **these 78 counties could receive \$950,000 in new revenue.**

Under current law, the fee from an accident report supplied by a county office is placed in a local Accident Report Account to be expended for a purpose related to the keeping of accident reports and records or the prevention of street and highway accidents. The fee from a report supplied by a city or town is placed in the Local Law Enforcement Continuing Education Fund.

Information on report fees for city or town police was not available. Police departments in cities and towns in Indiana would also receive new money for these accident reports depending on how much they increase their report fees.

*Mortgage Foreclosure Fee:* Currently, the sheriff of a county may charge a fee of \$10 to one owner and \$3 for each additional owner for service of written notice when the sheriff advertises the sale of property as a result of a foreclosed mortgage. As proposed, this fee would be increased to \$100 for one owner and \$20 to each additional owner.

No information is reported on how frequently this fee is collected. The number of mortgage foreclosures in which a final judgment was issued during CY 2003 are included in the Indiana Judicial Report. In CY 2003, 28,362 mortgage foreclosures were reportedly disposed in Indiana's trial courts. If all of these foreclosures resulted in a sale of property and each foreclosure involved one owner, the estimated amount of **new revenue collected from the increased fee would be \$2.5 M** (28,362 cases x \$90) This revenue would be deposited in the county general fund and made available for the sheriffs department.

*Service of Process Fee:* Under the bill, additional fees for serving a process from out-of-state litigants would increase from \$40 to \$80, potentially increasing the revenues. Added revenues would be deposited in the county sheriffs pension trust fund or, if one does not exist, into the county general fund. As of January 2004, 89 counties report operating pension funds for sheriffs. Consequently, the pension funds in these counties would receive more monies. The number of civil suits filed outside of Indiana where a sheriff or employee performs a service of process is not available at the state level.

The State Board of Accounts does not record this specific revenue deposit into either the sheriffs pension trust fund or the county general fund.

*Service of Legal Documents:* This provision would apply to the 89 counties which operate pension trust funds for the county sheriffs and their employees and, under limited circumstances, could obligate more money for funding sheriffs pension funds and reduce available monies for other programs.

The amount transferred to the pension trust fund would increase from \$12 to \$24 for each claim potentially increasing the amount of monies from the court fees contributing to the support of the pension funds. There are no statewide data available to indicate how often money is transferred from the county general fund to the sheriffs pension trust fund based on verified service claims.

An actuary familiar with the sheriffs pension plans indicates that 88 of these 89 counties fund their pension programs solely from a line item in the county budget. The transfer of court fee monies is an optional funding source for the pension trust fund although it is seldom used.

Note: Under current law, \$12 is transferred from the county general fund from court fees deposited in the county general fund when the sheriff completes writs, orders, processes, notices, tax warrants, and other paper completed. The county general fund receives the following shares from courts fees.

<b>Transfer of Monies From Court Fees From County General Fund to Sheriffs Pension Fund</b>				
			Net County Share of Court Fee after Transfer of:	
Fee for:	Fee Amount	County Share	\$12.00	\$24.00
Criminal Costs	\$120	\$32.40	\$20.40	\$8.40
Infraction & Ord. Violations	\$70	\$18.90	\$6.90	(\$5.10)
Juvenile	\$120	\$32.40	\$20.40	\$8.40
Civil	\$100	\$27.00	\$15.00	\$3.00
Small Claims	\$35	\$9.45	(\$2.55)	(\$14.55)
Probate	\$120	\$32.40	\$20.40	\$8.40
Deferred Prosecution	\$50	\$13.50	\$1.50	(\$10.50)

Depending on how frequently these fees are transferred from the county general fund to the sheriffs pension fund and how much the counties directly appropriate to the local pension trust fund, this provision could potentially have no net effect on county finances but, under limited circumstances, could shift more money to the pension fund and away from other funding options.

**State Agencies Affected:** Indiana State Police.

**Local Agencies Affected:** County Sheriffs and City and Town Police Departments.

**Information Sources:** State Board of Accounts Audited Annual Reports, CY 2001; *Indiana Handbook of Taxes Revenues and Appropriations, FY 2004*; *2003 Indiana Judicial Report*; *2004 Association of Indiana Counties County Fact Book*; Elaine Beatty of McCready & Keane, Inc.

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